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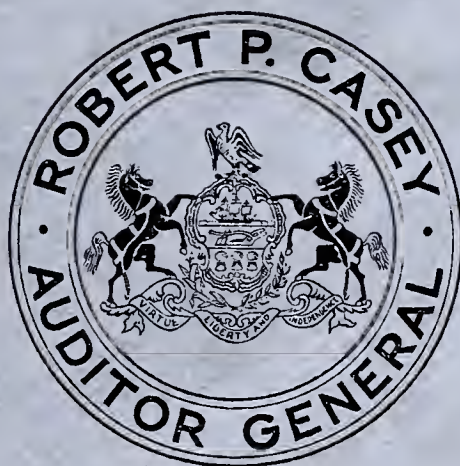
# COMMONWEALTH OF PENNSYLVANIA

## AUDIT REPORT

MAYVIEW STATE HOSPITAL

MAYVIEW, PENNSYLVANIA

FOR THE FISCAL YEAR ENDED JUNE 30, 1968



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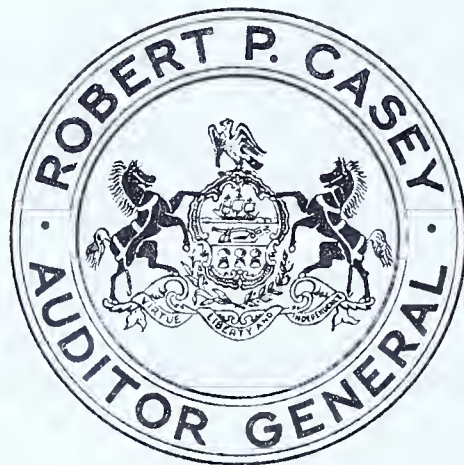
COMMONWEALTH OF PENNSYLVANIA

REPORT OF EXAMINATION

MAYVIEW STATE HOSPITAL

MAYVIEW, PENNSYLVANIA

FOR THE FISCAL YEAR ENDED JUNE 30, 1968



COMMONWEALTH OF PENNSYLVANIA



COMMONWEALTH OF PENNSYLVANIA

OFFICE OF THE

AUDITOR GENERAL

HARRISBURG 17120

ROBERT P. CASEY  
AUDITOR GENERAL

August 14, 1969

The Honorable Raymond P. Shafer  
Governor of Pennsylvania  
Harrisburg, Pennsylvania

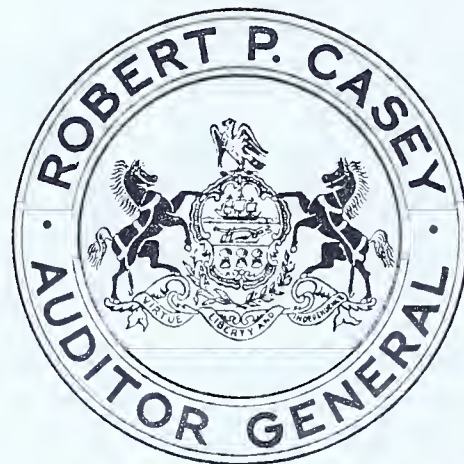
My dear Governor Shafer:

We submit herewith our report of examination of the books of account and records as they pertain to the financial operations of

MAYVIEW STATE HOSPITAL

Mayview, Pennsylvania, for the fiscal year ended June 30, 1968, pursuant to the requirements of Section 402 of The Fiscal Code, and submit the following exhibits:

- |           |  |
|-----------|--|
| Exhibit A | Statement of allocations, expenditures and balances for the fiscal year ended June 30, 1968                      |
| Exhibit B | Comparative statement of cash receipts and expenditures for the fiscal years ended June 30, 1968 and 1967        |
| Exhibit C | Statement of changes in accounts receivable for the fiscal year ended June 30, 1968                              |
| Exhibit D | Statistics for the fiscal years ended June 30, 1968 and 1967   |
| Exhibit E | Little Store Fund, balance sheet June 30, 1968   |
| Exhibit F | Little Store Fund, comparative statement of income and surplus for the fiscal years ended June 30, 1968 and 1967 |
| Exhibit G | Special Funds, statement of cash receipts and expenditures for the fiscal year ended June 30, 1968               |



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We have examined the books of account and records of Mayview State Hospital, Mayview, Pennsylvania, for the fiscal year ended June 30, 1968. We have reviewed its system of internal control and accounting procedures and, without making a detailed audit of the transactions, have examined or tested accounting records and other supporting evidence by methods and to the extent deemed appropriate. Our examination was made in accordance with generally accepted auditing standards, and included all procedures which we considered necessary in the circumstances.

In our opinion, subject to the recommendations contained herein, the accompanying Exhibits A to G, inclusive, present fairly the operations of Mayview State Hospital, Mayview, Pennsylvania, for the fiscal year ended June 30, 1968, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

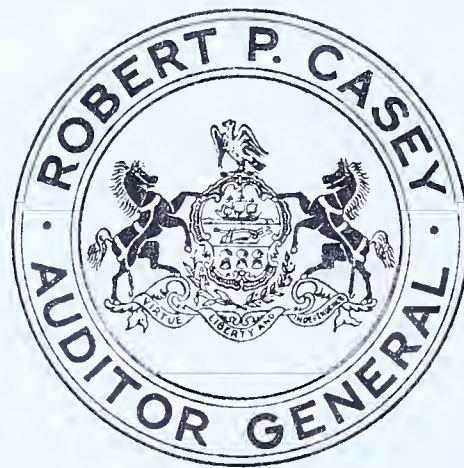
#### COMMENTS ON FINANCIAL OPERATIONS

Cash receipts for the fiscal years ended June 30, 1968 and 1967, see Exhibit B, amounted to \$784,394.07 and \$749,581.04, respectively, an increase of \$34,813.03.

Accounts receivable as of June 30, 1968, see Exhibit C, amounted to \$31,302.21, of which \$4,093.15 were billed prior to April 1968. The majority of the overdue accounts were reported as required by Section 512 of The Administrative Code. However, as was the case during our previous audit, we are again unable to circularize current balances due the Hospital because the records are not being maintained on a current basis. We also noted that the control account figures are not in agreement with the financial statement submitted to Harrisburg for June 30, 1968; therefore, Exhibit C is being submitted with reservation. We recommend that the Revenue office records at the Hospital be maintained on a current basis and that every effort be made to bring the control account and financial statements into agreement with the individual patient cards.

Our review of the Revenue Agent's Patients' Cash Fund revealed that there have been many delays in the release of funds for patients being discharged from the Hospital. There have been many instances when the Medical Director would notify the Revenue Agent two weeks in advance of the release date but, because of the nonavailability of their funds held by the Revenue Agent, it was necessary to keep the patients at the Hospital until their funds were approved for release by the Harrisburg Office.

The above conditions resulted from the fact that there was a recent change of Revenue Agents and it is the policy of the Department of Revenue to withhold patients' funds until a cash reconciliation can be made each time there is a change of Revenue Agents.



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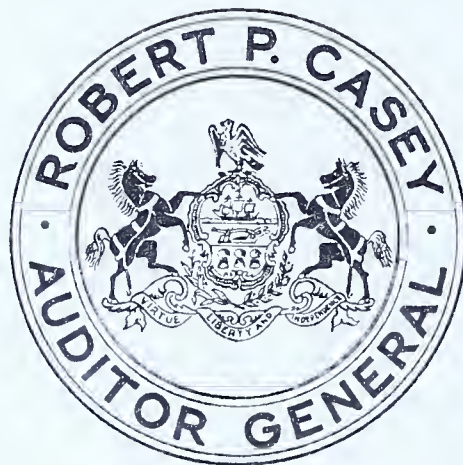
It should be noted that the majority of these patients are considered indigent or part-pay, therefore keeping the patients at the Hospital unnecessarily results in an extra burden on the taxpayers of the Commonwealth.

For the benefit of the patients who are to be returned to the community, as well as saving of unnecessary expenses for the taxpayers, we strongly recommend that the Department of Revenue make whatever changes necessary in its procedures to make sure that no patient is detained beyond his approved date of release.

Cash expenditures for the fiscal years ended June 30, 1968 and 1967, see Exhibit B, amounted to \$8,005,890.25 and \$7,293,928.09, respectively, an increase of \$711,962.16, substantially accounted for by increases of \$529,835.94 in salaries caused mostly by annual increments and a rise of 100 in the average number of salaried employees, \$82,423.36 in overtime brought about by a shortage in the nursing staff thereby requiring more overtime work, \$22,362.19 in wages primarily due to the institution's participation in the various Federal youth training programs, \$46,126.09 in food, \$27,563.62 in laboratory and medical supplies, and \$45,888.96 in housekeeping supplies, all due to a rise in patient population, \$21,965.57 in State workmen's insurance premium payments and \$19,082.00 in contracted personal services, both resulting from object code changes. These increases are partially offset by decreases of \$29,269.01 in temporary salaried employees because fewer temporary employees were hired during the period under review, \$24,085.96 in maintenance materials and supplies caused mostly by fewer institutional repair projects, \$13,716.53 in agricultural supplies primarily due to a drop in requirements for purchased supplies, and \$12,817.40 in specialized services and \$21,685.90 in insurance, surety and fidelity bonds, both due to object code changes whereby some of these expenditures are now being included in other object codes.

The following commodities were received from the Federal Surplus Commodities Corporation during the fiscal year under review:

<u>COMMODITY</u>	<u>AMOUNT</u>
Flour, wheat	277,500 pounds
Butter	41,216 "
Orange juice, frozen	32,400 "
Lard	16,800 "
Cheese	12,190 "
Rice	10,750 "
Oats, rolled	8,092 "
Corn meal	4,000 "
Pea beans, dried	2,000 "
Milk, powdered	1,890 "
Peas, split, dried	1,248 "
Raisins	732 "



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Our examination of agricultural activities operations for the fiscal year under review revealed an increase in net savings of \$12,270.17 over 1967 principally due to a rise in production from truck garden operations.

A physical count of 30 drug items selected at random by our auditors disclosed 10 shortages and 5 overages. Because of this high percentage of discrepancies, we recommend that a complete physical inventory of the drug room be taken and the stores ledger be brought into agreement with the physical count and that, in the future, greater care be exercised in the recording and accountability of all stores items.

Our examination of the Patients' Cash Fund, which is under the custody of the Superintendent of the Hospital, again revealed that there are still many patients' accounts in excess of \$100.00 which have not been transferred to the authorized agent of the Department of Revenue at the Hospital as required by Section 424(2) of the Mental Health and Mental Retardation Act of 1966, the Act of October 20, 1966, Special Session No. 3.

In discussing this matter with officials of the institution, we were again informed that many of these large accounts are being withheld because "it would create a hardship for those patients".

It is difficult for us to understand why a hardship would be involved, because moneys for the patients' personal use would still be available to the Superintendent from the Revenue Agent. Insofar as that section of the Act which governs the handling of patients' personal funds by the institution's director and the agent of the Department of Revenue, the pertinent portions of Section 242 are as follows:

"Funds of Persons Admitted or Committed to State Operated Facilities. - Where no guardian has been appointed for a mentally disabled person admitted or committed to a State operated facility all money and other personal property of such person shall be handled in the following manner, unless the Director determines that such person's recovery or well-being will be promoted by his own handling of such money or personal property:

"The authorized agent of the Department of Revenue shall, without application to any court, take custody of, receive and manage in accordance with this section any money or other personal property in such person's possession at the time he is admitted to a facility and any gifts, legacies, pensions, insurance payments, retirement benefits or payments, old age and survivors' insurance, or any other benefits or payments to which such person covered by the provisions of this act may be entitled.



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"The revenue agent shall, upon the director's request, turn over to the director the sum of one hundred dollars (\$100) to be used as such person's petty cash fund. Funds so held by the director shall be disbursed at his discretion to promote the welfare of such person. The revenue agent shall, upon the director's request, restore the balance in each such person's petty cash fund to one hundred dollars (\$100). For special purposes, the director may request funds for such person up to five hundred dollars (\$500).

"Unless a guardian has been appointed and qualified, the revenue agent shall hold, apply and dispose of all funds in accordance with regulations promulgated by the department."

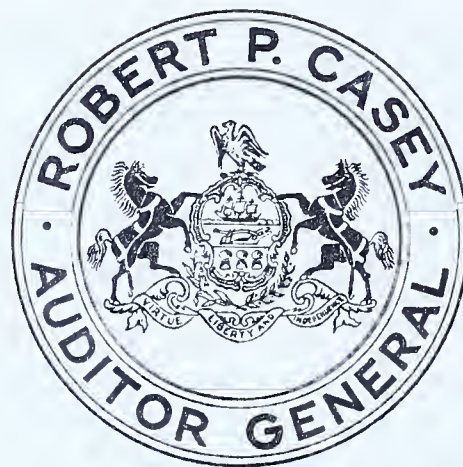
Our Legal Bureau was asked to review the Act for an interpretation of Section 424 as it applied to the transfer of moneys from the Director to the Revenue Agent, and, in their opinion, the following is the intent of this enactment:

- (a) The authorized agent of the Department of Revenue is the Commonwealth officer charged with the responsibility of managing funds of mentally disabled persons admitted or committed to a State-operated facility.
- (b) If a person admitted or committed to a State-operated facility is not mentally disabled, then he is permitted to handle his own financial affairs.
- (c) The Director of the State-operated facility is empowered to manage an amount of \$100.00 belonging to a mentally disabled person to be used as such person's petty cash fund, to be disbursed to promote the welfare of such person.
- (d) In special circumstances the Director may request funds from the authorized agent of the Department of Revenue for a mentally disabled person up to \$500.00.

In view of the foregoing, we again recommend that all moneys in excess of \$100.00 in the patients' accounts under the custody of the Superintendent be transferred to the authorized Revenue Agent of the Hospital immediately.

Our examination of institutional stores withdrawals by professional employees living in residences belonging to the institution revealed the following unsatisfactory conditions:



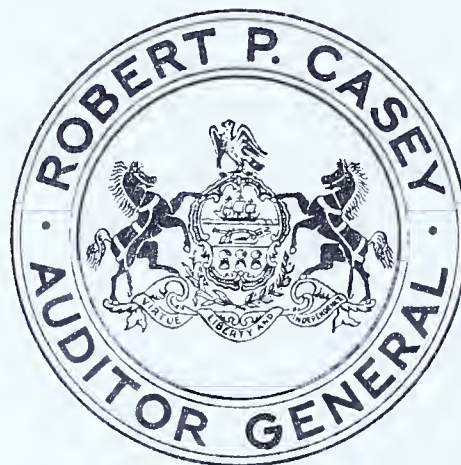


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1. There have been instances where the dietitian had to make changes and substitutions in the planned menu for the patients because professional employees were given first choice on meat cuts.
2. Although they have recently stopped issuing taxable items such as soap powder, toilet paper, cleansers, soaps, et cetera, there were no sales tax charges or collections for those commodities withdrawn previously.
3. Cuts of meats delivered to the professional employees are excessively trimmed and in most instances boned.
4. In addition to the beef which is slaughtered from the dairy herd, the institution is permitted to buy whole beef rounds and chuck roasts. However, sirloin beef is being purchased especially for professional employees.
5. Although the Executive Board ruling is that all commodities for professional employees are to be billed at cost, the price list used for this purpose at the time of our examination (May 1969) was a price list prepared for the month of October 1968.
6. Our review of stores requisitions revealed that the present amount of commodities withdrawn is not too excessive. However, in discussing this matter with officials of the institutions we were advised that not too long ago it was necessary to reduce the quantities requested because it was felt that they were requesting many times more than the particular family could consume. It was felt by these officials that some of these commodities were being purchased for relatives living in the nearby area.

In view of the foregoing, we recommend:

1. That inasmuch as State mental institutions were established for the treatment, care and maintenance of the patients, first consideration should be given to the dietary department, which provides commodities necessary for patients' welfare.
2. That although taxable items have been issued to professional employees and no charges or collections made for these commodities, it is unfair to exempt professional employees from paying sales tax while the taxpayers of the Commonwealth are taxed for these same commodities and at the same time required to support these institutions through other taxes.



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3. That no special trimming or boning be provided since they are, in most instances, paying carcass prices.
4. That no special purchases be made for these employees, because it is our understanding that professional employees are entitled to withdraw from stores only items purchased for the general operation of the institution.
5. That price lists be prepared monthly so that current costs may be used.
6. That the store manager use good judgment in determining whether or not the withdrawals for a particular size family are excessive. If in his judgment they are, that matter should be brought to the attention of the business manager.

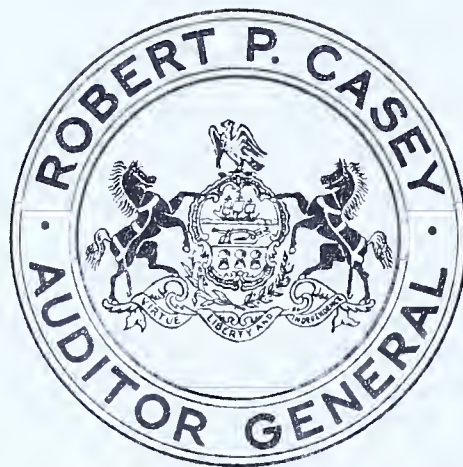
It should also be noted that, in spite of the low prices charged for some of these commodities, such as bacon, 45¢ pound; beef chuck roast, 44¢ pound; beef steak, 61¢ pound; pork loin chops, 62¢ pound; eggs, 35¢ dozen; pimento cheese, 49¢ pound; et cetera, the professional employees do, in many instances, complain to the butcher, dietitian, storekeeper, and accountant because of the prices or services.

Because of the possible sales tax violation, the difficulty in maintaining adequate internal control, and the amount of man-hours required to operate the program, we respectfully request that the Department of Public Welfare and the Executive Board consider discontinuing the practice of providing these services and commodities.

Representatives of this Department discussed the above withdrawal systems with some of the business managers, accountants, storekeepers, butchers and dietitians at this and several other mental institutions presently under audit, and in every instance they expressed a desire to get rid of the above practice, not only because of the browbeating they said they must take from some of these people, but also because of the great amount of time and work involved in handling the program, the cost of which is not included in the price list.

If these privileges are considered fringe benefits to attract professional employees to welfare institutions, then perhaps the Executive Board should consider salary adjustments so that, except for renting residences belonging to the institution, all other purchases for services and commodities should be made from independent outside sources.

Our tour of the institution revealed that there are many tons of unserviceable property such as scrap iron, old metal beds, metal cabinets, and other miscellaneous items located near the power plant. We also noted that in the basement of North II Building there are



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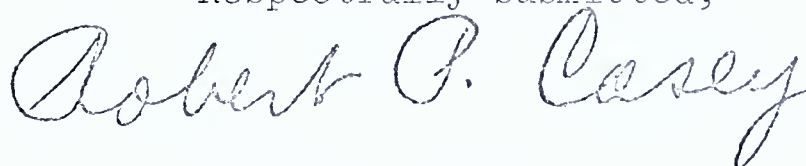
many unserviceable items such as gas ranges, electric ranges, hot water heating units, and refrigerators. At this same location there are many new items such as hot water heating units, ranges, and hot water radiators. Some of the new hot water heating units and all of the radiators have been stored in this area for several years. This would indicate that purchases were made for items not readily needed.

Section 510 of The Administrative Code states in part: "Whenever furnishings, or other personal property of this Commonwealth, shall be no longer of service to the Commonwealth, it shall be the duty of the department, board or commission, in whose possession such property shall be or come to put such property into the custody of the Department of Property and Supplies". Since this had not been done, we recommend that officials of the Hospital comply with the above section of the Code. Inasmuch as new capital items have remained unused for several years, we recommend that, in the future, the Superintendent use better judgment when approving purchase orders for capital items. Here again is an instance where money is expended for capital items not readily needed, rather than lapse it to the General Fund.

Our visit of the new Bengs Building disclosed that it is filled to only 50% of patient capacity, while two other older buildings at the institution have overcrowded conditions. In discussing this matter with the Superintendent we were informed that the building is not fully occupied because they do not have a complete staff. They have asked for additional positions but these have not been approved by Harrisburg. We were also informed that because of the new unit treatment plan used in the Bengs Building, only a few of the patients in the overcrowded buildings could be transferred to the new building. However, he stated further that if they had a full staff they would have no difficulty in operating at full patient capacity.

It is difficult to understand why several million dollars should be spent to erect a patients' building and then operate it at only 50% patient capacity. We suggest that officials of the Department of Public Welfare review the above matter and that consideration be given to fully staffing the Bengs Building so that they may operate at 100% patient capacity.

Respectfully submitted,



Robert P. Casey



COMMONWEALTH OF PENNSYLVANIA

EXHIBIT A

MAYVIEW STATE HOSPITALDEPARTMENT OF PUBLIC WELFARESTATEMENT OF ALLOCATIONS, EXPENDITURES AND BALANCESFOR THE FISCAL YEAR ENDED JUNE 30, 1968

	GENERAL FUND				TOTAL
	1963-1964 ALLOCATIONS	1965-1966 ALLOCATIONS	1966-1967 ALLOCATIONS	1967-1968 ALLOCATIONS	
Act	45-A	19-A	69-A	31-A	
Available allocations, July 1, 1967, and subsequent allocations	\$ 1,395.13	\$ 183.27	\$417,599.52	\$8,712,165.72	13,231,243.64
Expenditures	\$ 1,335.69	\$ -0-	\$384,629.09	\$7,619,925.47*	\$8,005,590.25
Lapsed	59.44	183.27	32,970.43	-0-	33,213.14
Encumbered	-0-	-0-	-0-	767,544.96	767,544.96
	<u>\$ 1,395.13</u>	<u>\$ 183.27</u>	<u>\$417,599.52</u>	<u>\$8,387,470.37</u>	<u>\$8,806,644.83</u>
AVAILABLE BALANCE, JUNE 30, 1968	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 324,695.35</u>	<u>\$ 324,695.35</u>

\*Includes requisitions for payment not warranted  
aggregating \$319,184.27.



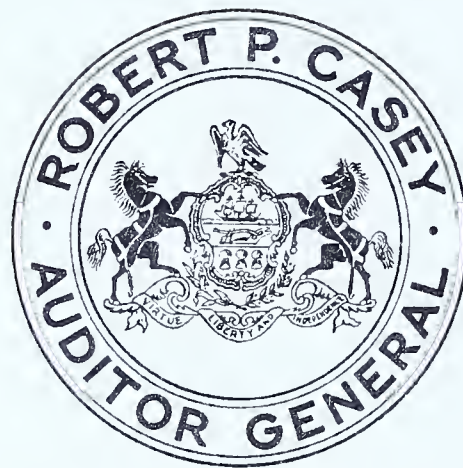
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EXHIBIT 7

MAYVIEW STATE HOSPITALDEPARTMENT OF PUBLIC WELFARECOMPARATIVE STATEMENT OF CASH RECEIPTS AND EXPENDITURESFOR THE FISCAL YEARS ENDED JUNE 30, 1968 AND 1967

	<u>YEAR ENDED JUNE 30</u>		<u>INCREASE</u>
	<u>1968</u>	<u>1967</u>	<u>(DECREASE)</u>
<u>RECEIPTS</u>			
Part-pay patients	\$ 499,674.49	\$ 557,840.01	(\$ 58,165.52)
Full-pay patients	222,188.56	189,494.41	32,694.15
Sale of surplus products	-0-	1,145.36	(1,145.36)
Miscellaneous	286.92	1,101.26	(814.34)
Department of Justice	62,244.10	-0-	62,244.10
TOTAL	<u>\$ 784,394.07</u>	<u>\$ 749,581.04</u>	<u>\$ 34,813.03</u>
<u>EXPENDITURES</u>			
Salaries	\$5,835,684.27	\$5,305,848.33	\$529,835.94
Overtime	82,423.36	-0-	82,423.36
Temporary salaried employees	19,921.48	49,190.49	(29,269.01)
Wages	38,158.37	15,796.18	22,362.19
Food	740,212.16	694,086.07	46,126.09
Laboratory and medical supplies	298,341.40	270,777.78	27,563.62
Utilities and fuel	256,716.81	258,329.58	(1,612.77)
Housekeeping supplies	141,315.39	95,426.43	45,888.96
Maintenance materials and supplies	104,793.94	128,879.90	(24,085.96)
Wearing apparel	76,368.02	80,416.24	(4,048.22)
Equipment and machinery	62,518.06	65,943.39	(3,425.33)
Contracted repairs	61,423.01	70,030.92	(8,607.91)
Specialized services	52,952.11	65,769.51	(12,817.40)
Agricultural supplies	39,749.79	53,466.32	(13,716.53)
Communications	38,980.60	34,616.84	4,363.76
Furniture and furnishings	33,917.01	38,874.71	(4,957.70)
Contracted maintenance services	25,191.20	24,382.95	808.25
State workmen's insurance premium payments	21,965.57	-0-	21,965.57
Contracted personal services	19,082.00	-0-	19,082.00
Motorized equipment supplies and repairs	<u>15,582.13</u>	<u>13,102.47</u>	<u>2,479.66</u>
Carried Forward	\$7,965,296.68	\$7,264,938.11	\$700,358.57



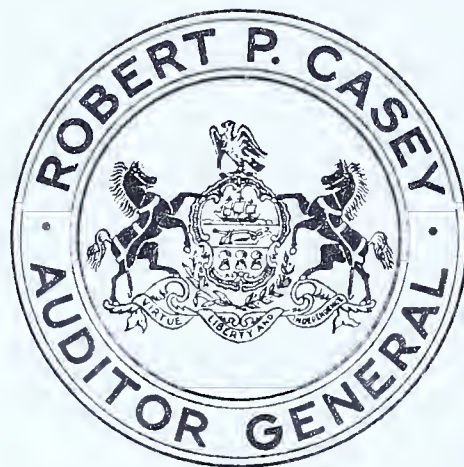


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EXHIBIT E, CONTINUED

	<u>YEAR ENDED JUNE 30</u>		<u>INCREASE</u>
	<u>1968</u>	<u>1967</u>	<u>(DECREASE)</u>
<u>EXPENDITURES, CONTINUED</u>			
Brought Forward	\$7,965,296.68	\$7,264,938.11	\$700,358.57
Office supplies	9,745.55	7,964.91	1,780.64
Travel	9,067.68	8,901.98	165.70
Postage and freight	7,976.23	5,664.23	2,312.00
Rent of real estate	6,976.50	6,951.00	25.50
Educational, recreational and religious supplies	6,878.63	4,019.73	2,858.90
Insurance, surety and fidelity bonds	2,991.33	24,677.23	(21,685.90)
Rent of equipment	1,909.00	1,283.26	625.74
Membership dues and subscriptions	1,659.65	1,286.40	373.25
Printing	457.00	181.83	275.17
Advertising	414.54	846.17	(431.63)
Other services and supplies	86.14	56.10	30.04
Changes in purchased supplies inventory (Note)	<u>(7,568.68)</u>	<u>(32,842.86)</u>	<u>25,274.18</u>
TOTAL	<u>\$8,005,890.25</u>	<u>\$7,293,928.09</u>	<u>\$711,962.16</u>
EXCESS OF EXPENDITURES OVER RECEIPTS	<u>\$7,221,496.18</u>	<u>\$6,544,347.05</u>	<u>\$677,149.13</u>

Note: Adjustment for difference between beginning and ending purchased supplies inventory, necessary to convert statement from an accrual basis to a cash basis, and does not represent an expenditure of cash.



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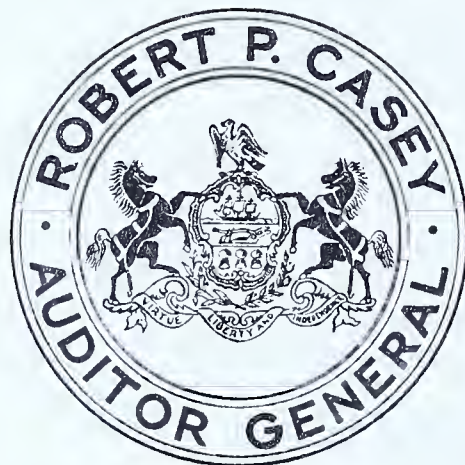
EXHIBIT C

MAYVIEW STATE HOSPITAL  
DEPARTMENT OF PUBLIC WELFARE  
STATEMENT OF CHANGES IN ACCOUNTS RECEIVABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 1968

ACCOUNTS RECEIVABLE BALANCE, JULY 1, 1967			\$ 14,265.82
Add:			
Income:			
Part-pay patients	\$ 508,877.29		
Full-pay patients	202,918.55		
Department of Justice	110,713.39		
Miscellaneous	<u>286.92</u>	822,796.15	
Refunds		105.00	
Medical Assistance debit account		<u>2,086,413.11</u>	
			\$2,923,580.08
Deduct:			
Collections (see Exhibit B)	\$ 784,394.07*		
Uncollectible accounts written off by authority of Department of Justice	72,283.76		
Medical Assistance credit account	<u>2,035,600.04</u>	<u>2,892,277.87</u>	
ACCOUNTS RECEIVABLE BALANCE, JUNE 30, 1968			<u>\$ 31,302.21</u>

\*Collections deposited with State Treasurer.

In addition to the collections noted above, the institution's allocations were augmented by \$2,004,605.00 representing Federal Medical Assistance contributions for services rendered to those patients eligible for the M.A. Program.



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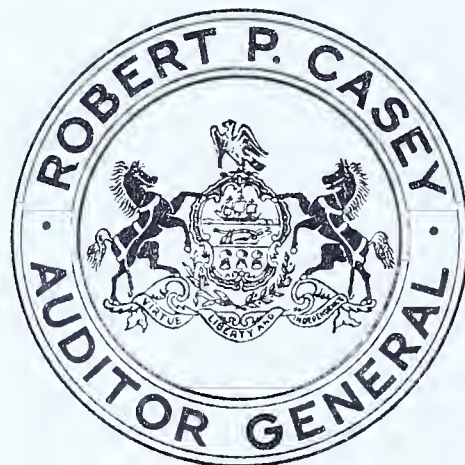
EXHIBIT D

MAYVIEW STATE HOSPITAL  
DEPARTMENT OF PUBLIC WELFARE

STATISTICS

FOR THE FISCAL YEARS ENDED JUNE 30, 1968 AND 1967

	<u>YEAR ENDED JUNE 30</u>		<u>INCREASE</u> <u>(DECREASE)</u>
	<u>1968</u>	<u>1967</u>	
<u>RATED BED CAPACITY</u>	<u>2,809</u>	<u>2,684</u>	<u>125</u>
<u>AVERAGE DAILY PATIENT POPULATION</u>	<u>2,649</u>	<u>2,621</u>	<u>28</u>
<u>PATIENTS IN INSTITUTION</u>			
Beginning of Year	<u>2,746</u>	<u>2,860</u>	<u>(114)</u>
Add:			
Admissions	703	801	(98)
Return from furloughs and paroles	374	417	(43)
Transfers in	<u>16</u>	<u>12</u>	<u>4</u>
	<u>1,093</u>	<u>1,230</u>	<u>(137)</u>
Total	<u>3,839</u>	<u>4,090</u>	<u>(251)</u>
Deduct:			
Furloughs and paroles	607	771	(164)
Discharges	313*	347*	(34)
Deaths	203	225	(22)
Transfers out	<u>7</u>	<u>1</u>	<u>6</u>
	<u>1,130</u>	<u>1,344</u>	<u>(214)</u>
End of Year	<u>2,709</u>	<u>2,746</u>	<u>(37)</u>
<u>TOTAL PATIENT DAYS</u>	<u>967,026</u>	<u>956,821</u>	<u>10,205</u>
<u>TOTAL PATIENT WEEKS</u>	<u>138,146</u>	<u>136,689</u>	<u>1,457</u>
<u>PER CAPITA OPERATING INCOME**</u>			
Part-pay patients	\$3.683	\$3.876	(\$ .193)
Full-pay patients	1.469	1.378	.091
Department of Justice	.801	.000	.801
Miscellaneous	.002	.008	(.006)
Sale of surplus products	<u>.000</u>	<u>.009</u>	<u>(.009)</u>
TOTAL PER CAPITA OPERATING INCOME	<u>\$5.955</u>	<u>\$5.271</u>	<u>\$.684</u>



COMMONWEALTH OF PENNSYLVANIA

EXHIBIT D. CONTINUED

	<u>YEAR ENDED JUNE 30</u>		<u>INCREASE</u>
	<u>1968</u>	<u>1967</u>	<u>(DECREASE)</u>
<u>PER CAPITA OPERATING EXPENSES**</u>			
Care of patients	\$30.467	\$26.796	\$3.671
Household and feeding	10.677	10.124	.553
Plant and grounds	7.604	8.125	(.521)
Auxiliary activities	4.444	3.847	.597
Administrative	2.880	2.676	.204
Agricultural activities	<u>1.237</u>	<u>1.266</u>	<u>(.029)</u>
TOTAL PER CAPITA OPERATING EXPENSES	<u>\$57.309</u>	<u>\$52.834</u>	<u>\$4.475</u>

\*In addition to the discharges indicated, there were 268 and 320 patients discharged while on parole for the periods ended June 30, 1968 and 1967, respectively.

\*\*Based on patient weeks.



COMMONWEALTH OF PENNSYLVANIA

EXHIBIT F

MAYVIEW STATE HOSPITAL  
DEPARTMENT OF PUBLIC WELFARE  
LITTLE STORE FUND  
BALANCE SHEET  
JUNE 30, 1968

ASSETS

Current Assets

Cash:			
On hand	\$ 225.00		
On deposit	<u>47,497.40</u>	\$47,722.40	
Accounts receivable		145.15	
Inventory (at cost)		<u>11,953.84</u>	\$59,821.39

Fixed Assets

Fixtures and equipment	\$20,661.46		
Less reserve for depreciation	<u>5,678.09</u>		14,983.37

Other Assets

Deposits on U.S. postage stamps	\$ 50.00		
Deposits on soft drink cases	<u>11.00</u>		<u>61.00</u>

TOTAL ASSETS			<u>\$74,865.76</u>
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LIABILITIES AND SURPLUS

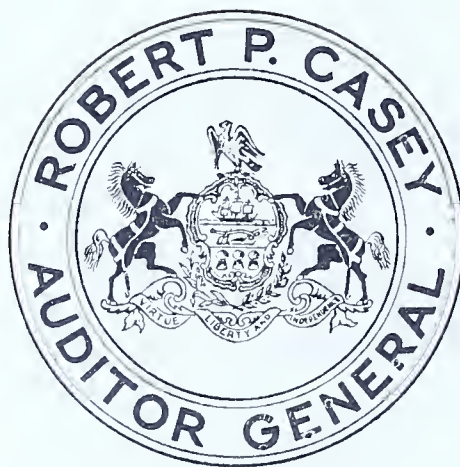
Current Liabilities

Accounts payable	\$11,111.63		
Unredeemed coupons	13,357.83		
Accrued salaries	10,715.50		
Accrued social security tax	471.46		
Accrued retirement	835.80		
State share - medical-hospitalization	60.75		
Accrued sales tax	<u>3.18</u>		\$36,556.15

Surplus

TOTAL LIABILITIES AND SURPLUS			<u>38,309.61</u> <u>\$74,865.76</u>
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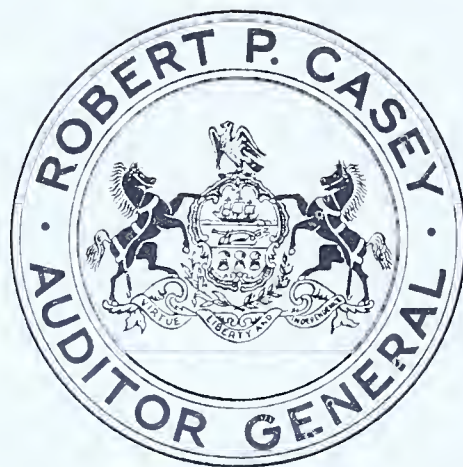
COMMONWEALTH OF PENNSYLVANIA

EXHIBIT F

MAYVIEW STATE HOSPITAL  
DEPARTMENT OF PUBLIC WELFARE  
LITTLE STORE FUND

COMPARATIVE STATEMENT OF INCOME AND SURPLUS  
FOR THE FISCAL YEARS ENDED JUNE 30, 1968 AND 1967

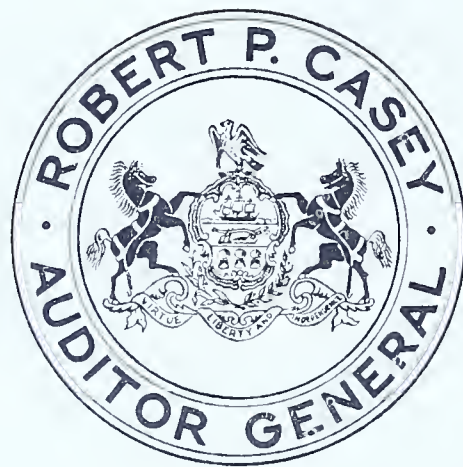
	<u>YEAR ENDED JUNE 30</u>		<u>INCREASE</u>
	<u>1968</u>	<u>1967</u>	<u>(DECREASE)</u>
SALES	\$278,260.72	\$253,595.40	\$24,665.32
Cost of sales:			
Inventory at beginning of year	\$ 12,424.49	\$ 12,269.13	\$ 155.36
Purchases	<u>205,457.74</u>	<u>188,757.13</u>	<u>16,700.61</u>
	\$217,882.23	\$201,026.26	\$16,855.97
Inventory at end of year	<u>11,953.84</u>	<u>12,424.49</u>	<u>(470.65)</u>
	<u>\$205,928.39</u>	<u>\$188,601.77</u>	<u>\$17,326.62</u>
Gross Profit	<u>\$ 72,332.33</u>	<u>\$ 64,993.63</u>	<u>\$ 7,338.70</u>
Operating expenses:			
Salaries	\$ 38,264.01	\$ 33,055.71	\$ 5,208.30
Patient help	7,787.73	7,727.99	59.74
Food	2,069.70	2,399.00	(329.30)
Coupon book cover bonuses	1,881.75	-0-	1,881.75
General store expense	1,600.95	928.75	672.20
Printing coupons	262.32	660.14	(397.82)
Social security	1,687.80	1,388.33	299.47
State retirement	2,984.60	2,578.35	406.25
State share - medical-			
hospitalization	212.75	-0-	212.75
Willmark service and accounting	227.40	427.40	(200.00)
Additional cigarette tax	445.85	-0-	445.85
Repairs	182.17	706.96	(524.79)
Depreciation	<u>1,730.20</u>	<u>1,654.34</u>	<u>75.86</u>
	<u>\$ 59,337.23</u>	<u>\$ 51,526.97</u>	<u>\$ 7,810.26</u>
Net Profit	\$ 12,995.10	\$ 13,466.66	(\$ 471.56)



COMMONWEALTH OF PENNSYLVANIA

EXHIBIT F, CONTINUED

	<u>YEAR ENDED JUNE 30</u>		<u>INCREASE</u>
	<u>1968</u>	<u>1967</u>	<u>(DECREASE)</u>
Brought Forward	\$ 12,995.10	\$ 13,466.66	(\$ 471.56)
Other income:			
Commission on vending machines	\$ 963.44	\$ 1,950.49	(\$ 987.05)
Interest and telephone commission	1,147.68	1,465.66	(317.98)
Bowling	73.45	93.50	(20.05)
Sales tax discount	.09	23.29	(23.20)
	<u>\$ 2,184.66</u>	<u>\$ 3,532.94</u>	<u>(\$ 1,348.28)</u>
Net Income	\$ 15,179.76	\$ 16,999.60	(\$ 1,819.84)
Surplus at beginning of year	48,637.33	46,764.93	1,872.40
Add refund - Hilltop Auxiliary Canteen Fund - circus income	<u>160.50</u>	<u>570.09</u>	<u>(409.59)</u>
	\$ 63,977.59	\$ 64,334.62	(\$ 357.03)
Less distribution of surplus:			
Patients' welfare	<u>25,667.98</u>	<u>15,697.29</u>	<u>9,970.69</u>
SURPLUS AT END OF YEAR	<u>\$ 38,309.61</u>	<u>\$ 48,637.33</u>	<u>(\$10,327.72)</u>

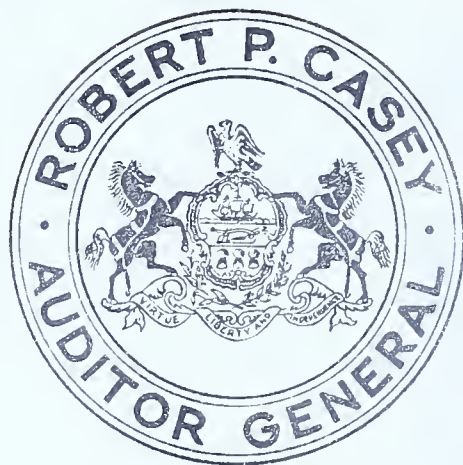


COMMONWEALTH OF PENNSYLVANIA



EXHIBIT GMAYVIEW STATE HOSPITALDEPARTMENT OF PUBLIC WELFARESPECIAL FUNDSSTATEMENT OF CASH RECEIPTS AND EXPENDITURESFOR THE FISCAL YEAR ENDED JUNE 30, 1968

	<u>BALANCE</u> <u>JULY 1, 1967</u>	<u>RECEIPTS</u>	<u>EXPENDITURES</u>	<u>BALANCE</u> <u>JUNE 30, 1968</u>
Revenue Agent's Patients' Cash Fund	\$ 319,987.38	\$924,879.12	\$ 715,634.63	\$ 529,231.87
Patients' Cash Fund	161,261.04	239,148.15	329,960.30	70,448.89
Little Store Fund	70,040.98	290,646.15	312,964.73	47,722.40
Vocational Rehabilitation Fund	1,686.58	1,923.40	1,780.99	1,828.99
Affiliate Student Nurses' Activity Fund	438.26	717.90	664.18	491.98
Volunteer Fund	1,637.80	2,476.80	2,779.61	1,334.99
Home Industry Fund	525.92	14,294.88	13,652.90	1,167.90
Dietary Fund	-0-	32,711.55	28,975.50	3,736.05



COMMONWEALTH OF PENNSYLVANIA

ORIGIN AND PURPOSE

Mayview State Hospital, located in Mayview, Allegheny County, was established about the middle of the eighteenth century at a site in Mount Washington, Allegheny County. In 1818, the Hospital was removed to a new site on the north side of the Allegheny River and remained there until 1893, when it was again moved to what is now its present site in Mayview, and became known as Marshalsea. In 1916, its name was changed to the Pittsburgh City Home and Hospital at Mayview. By authority of Act of Legislature approved September 29, 1938, P. L. 53, as amended May 25, 1939, P. L. 193, the title and control of the Hospital were assumed by the Commonwealth. These Acts also authorized the change of name to Mayview State Hospital. The Commonwealth took formal possession on June 1, 1941. The purpose of the Hospital is to care for and treat the mentally ill of the City of Pittsburgh.

ORGANIZATION AND MANAGEMENT

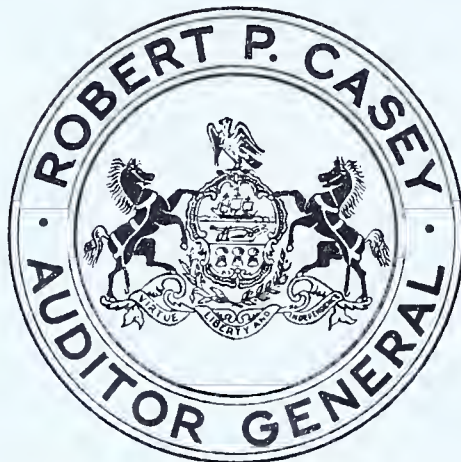
Under provisions of Section 2313.1 of The Administrative Code, the management is vested in the Commissioner of Mental Health and the Superintendent of the Hospital, subject to the approval of the Secretary of Public Welfare.

MEMBERS OF BOARD

Sections 207, 208, 401 and 2313.3 of the Code make the Board of Trustees an advisory board which consists of nine members appointed by the Governor, by and with the advice and consent of two-thirds of all the members of the Senate, for a term of six years and until their successors are appointed and qualified, and the Secretary of Public Welfare, ex officio. Section 210 of the Code provides that the members of the Board shall serve without compensation.

The membership of the Board as of June 30, 1968 was as follows:

<u>NAME</u>	<u>ADDRESS</u>	<u>TITLE</u>
Forrester, William	Pittsburgh	President
Young, Edward P.	Pittsburgh	Vice-President
Wetherbee, Mrs. Margery B.	Pittsburgh	Secretary
Georges, Dr. Thomas W., Jr.	Harrisburg	Member ex officio
Secretary of Public Welfare		
Balter, James S.	Pittsburgh	Member
Brown, Mrs. M. Elizabeth	Coraopolis	Member
Katsafanas, Dino W.	Pittsburgh	Member
Park, Norman	Pittsburgh	Member
Walgren, Mrs. Margaret L.	Mt. Lebanon	Member
Vacancy		



COMMONWEALTH OF PENNSYLVANIA

SUPERINTENDENT

The Superintendent is appointed by the Secretary of Public Welfare upon the advice of the Board of Trustees and the Commissioner of Mental Health, subject to the approval of the Governor, to serve as executive officer of the Hospital. This position was filled by Dr. R. F. Downey during the fiscal year under review.

PERSONNEL

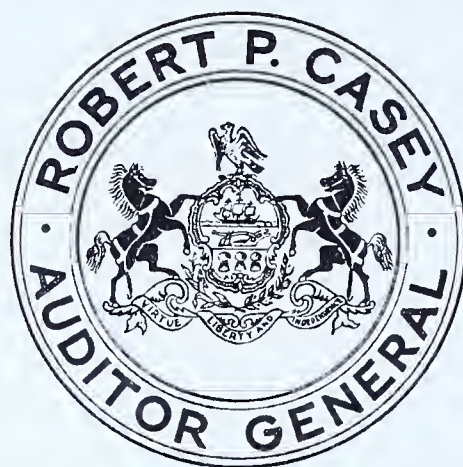
The tabulation below shows the average number of salaried and per diem employees for the fiscal years ended June 30, 1968 and 1967:

<u>YEAR</u>	<u>SALARIED</u>	<u>PER DIEM</u>	<u>TOTAL</u>
1968	1,128	18	1,146
1967	1,028	10	1,038

BONDED EMPLOYEES

All employees of the Hospital are covered by a Public Employees Blanket Bond in the amount of \$10,000.00 for Faithful Performance Blanket Position Bond coverage and \$190,000.00 in Faithful Performance Blanket Bond coverage carried with The Travelers Indemnity Company. The Superintendent and the Revenue Agent of the Hospital are bonded for an additional \$217,000.00 and \$501,000.00, respectively.





COMMONWEALTH OF PENNSYLVANIA